AMENDATORY SECTION (Amending WSR 01-21-071, filed 10/18/01, effective  $\overline{11/18/01}$ )

- WAC 308-56A-310 Personal property lien--Chattel((, landlord)). (1) What is a chattel lien? For the purposes of this section a ((+))chattel lien((+ means: A lien obtained by any person, firm or company who provides services or materials for a vehicle at the owner's request, in the event of nonpayment by the owner. A person or firm that provides services or material for a vehicle at the owner's request may obtain a lien on such vehicle. In the event of nonpayment the lien may be foreclosed as provided by law)) is a process by which a person may sell or take ownership of a vehicle when:
- (a) They provide services or materials for a vehicle at the request of the registered owner; and
- $\underline{\mbox{(b)}}$  The person who provided the services and/or materials has not been compensated.
- Note: This chapter does not apply to automotive repair facilities that fail to comply with requirements of 46.71 RCW.
- (2) What documents ((does the department require to issue)) are required to obtain issue a certificate of ownership for a vehicle obtained through the chattel lien process ((obtained through the chattel lien process))? ((In addition to other documents required by law or rule the department requires:)) The required documents include:
- (a) A completed affidavit of sale chattel(( $\frac{1}{2}$ )) lien form provided or approved by the department; (( $\frac{1}{2}$ )) and
- (b) A <u>certified</u> copy of ((<del>a court order awarding the vehicle to the claimant</del>)) the lien filing that is filed with the county auditor; and
- (c) A copy of the letter(s) sent by the lien applicant via first class mail to the registered and legal owners of record; and
- (d) A copy of the certified or registered mail, including the return receipt, to the address of the current registered and legal owners of the lien filing; and
  - (e) Affidavit of service by mail; and
  - (f) Application for certificate of ownership; and
  - (g) Other documents that may be required by law or rule.
- (3) When is a court order required ((by the department)) to issue a certificate of ownership as a result of a chattel lien? A Washington court order is required when:
- (a) The vehicle is no longer in the possession of the person(( $\frac{\text{business}}{\text{who is}}$ )) claiming the chattel(( $\frac{\text{landlord}}{\text{lon}}$ )) lien; or
  - (b) Someone other than the owner of record requested the services; or
- (c) There is ((an existing lien holder on record)) no record of the vehicle on file with the department; or.
- (((i) In order to remove an existing lien holder from record, the court order must specifically authorize the removal of the lien. If it does not, the claimant may:
- (A) Negotiate with the lien holder to obtain either a release of interest or a new security agreement; or
- (B) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved.
  - (d) There is more than one lien claimed against the vehicle.
- (i) In order to remove an existing lien holder from record, the court order must specifically authorize the removal of the lien. If it does not,

the claimant may:

- (A) Negotiate with the lien holder to obtain either a release of interest or a new security agreement; or
- (B) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved.))
- (4) What ((is a landlord)) laws regulate chattel liens? ((For the purposes of vehicle licensing and titling, a landlord lien is an encumbrance on a vehicle as security for the payment of moneys owing for rent.
- (5) What documents does the department require to issue a certificate of ownership for a vehicle, obtained through the landlord lien process? In addition to other documents required by law or rule the department requires:
- (a) A completed affidavit of sale chattel/landlord lien form provided or approved by the department; or
  - (b) A copy of a court order awarding the vehicle to the claimant.
- (6) When does the department require a court order to issue a certificate of ownership as a result of a landlord lien? A court order is required when:
- (a) The vehicle is no longer in the possession of the person/business who is claiming the landlord lien; or
- (b) The vehicle owner of record is someone other than the person owing for rent; or
  - (c) There is an existing lien holder on record.
- (i) In order to remove an existing lien holder from record, the court order must specifically authorize the removal of the lien. If it does not, the claimant may:
- (A) Negotiate with the lien holder to obtain either a release of interest or a new security agreement; or
- (B) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved.
  - (d) There is more than one lien against the vehicle.
- (i) In order to remove any existing lien holders from the record, the court order must specifically authorize the removal of any lien. If it does not, the claimant may:
- (A) Negotiate with the lien holders to obtain either a release of interest or a new security agreement; or
- (B) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved.
- (7) Why is a court order required for a landlord lien if there is a lien holder on the existing record? In order to record a secured interest on a Washington certificate of ownership, there must be a security agreement between the registered owner and the legal owner except for government liens as provided in law.)) Chapter 60.08 RCW regulates chattel liens.

## NEW SECTION

WAC 308-56A-311 Personal property lien--Landlord's lien for rent. (1) What is a landlord's lien for rent? For the purposes of this chapter, a landlord's lien for rent is a process by which a landlord may sell or take ownership of a tenant's vehicle as security for rent due.

- (2) What documents are required to issue a certificate of ownership for a vehicle obtained through the landlord's lien for rent process? The required documents include:
- (a) A completed affidavit of landlord lien form provided or approved by the department;

- (b) Application for certificate of ownership; and
- (c) Other documents that may be required by law or rule.
- (3) When is a Washington court order required to issue a certificate of ownership as a result of a landlord's lien for rent? A Washington court order is required when there is no record of the vehicle on file with the department.
- (4) What laws regulate landlords' lien for rent? Chapters 59.18, 60.10, and 60.72 RCW regulate landlord liens for rent.

## NEW SECTION

WAC 308-56A-312 Personal property lien--Self-service storage facilities. (1) What is a self-service storage facilities lien? For the purposes of this chapter, a self-storage facilities lien is a process by which the owner of a self-storage facility may sell a vehicle stored at the facility as security for rent or other charges due.

- (2) What documents are required to obtain a certificate of ownership for a vehicle obtained through the self-service storage facilities lien process? The required documents include:
- (a) A completed affidavit of self-storage facilities lien sale form provided or approved by the department;
  - (b) Application for certificate of ownership; and
  - (c) Other documents that may be required by law or rule.
- (3) When is a Washington court order required to issue a certificate of ownership as a result of a self-service storage facilities lien?
- (a) The vehicle is no longer in the possession of the person who is claiming the self-service storage facilities lien; or
  - (b) There is an existing lien holder on the vehicle record; or
  - (c) There is no record of the vehicle on file with the department.
- (4) What law regulates self-service storage facilities liens? Chapter 19.150 RCW regulates self-storage facilities liens.